

YEAR ENDING JUNE 30, 2003

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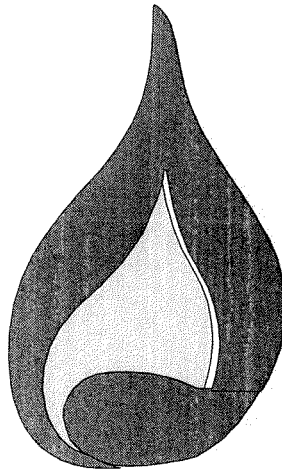
ANNUAL REPORT  
OF

2003 DEC -3 AM 9:33

PUBLIC SERVICE  
COMMISSION

**Energy West – Montana  
(Cascade Propane)**

GAS UTILITY



TO THE  
PUBLIC SERVICE COMMISSION  
STATE OF MONTANA  
1701 PROSPECT AVENUE  
P.O. BOX 202601  
HELENA, MT 59620-2601

## IDENTIFICATION

Year: 2003

- |  |   |
|--|---|
| 1. Legal Name of Respondent:                         | Energy West - Cascade                       |
| 2. Name Under Which Respondent Does Business:        | Energy West, Incorporated                   |
| 3. Date Utility Service First Offered in Montana     | Propane 8/94                                |
| 4. Address to send Correspondence Concerning Report: | P.O. Box 2229<br>Great Falls, MT 59403-2229 |
| 5. Person Responsible for This Report:               | Shawn Shaw                                  |
| 5a. Telephone Number:                                | (406)791-7529                               |

## Control Over Respondent

1. If direct control over the respondent was held by another entity at the end of year provide the following:
- 1a. Name and address of the controlling organization or person:  
(Not Applicable)
- 1b. Means by which control was held:
- 1c. Percent Ownership:

## SCHEDULE 2

Board of Directors		
Line No.	Name of Director and Address (City, State) (a)	Remuneration (b)
1	Edward Bernica Great Falls, MT	\$0
2	Thomas N. McGowan, Jr. Hamilton, MT	\$5,125
3	G. Montgomery Mitchell Houston, TX	\$28,426
4	David Flitner Greybull, WY	\$20,575
5	Dean South Helena, MT	\$6,950
6	Richard Schulte Brecksville, OH	\$26,900
7	Andrew Davidson Great Falls, MT	\$0
8	Gene Argo Hays, KS	\$16,750
9	Terry Palmer Denver, CO	\$16,750
10	George Ruff Helena, MT	\$0
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## Officers

Year: 2003

Line No.	Title of Officer (a)	Department Supervised (b)	Name (c)
1	President & CEO	Total Company	Edward J. Bernica
2			
3	Assistant V.P. / Treasurer	Finance and Treasury	JoAnn S. Hogan
4			
5	Assistant V.P. / Controller	Accounting	Robert B. Mease
6			
7	General Counsel. V/P Human		
8	Resources & Secretary	Human Resources and Legal	John C. Allen
9			
10	VP & Manager of Propane	All Propane Operations	Doug Mann
11			
12	VP & Manager of Natural Gas	All Natural Gas Operations	Tim A. Good
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## CORPORATE STRUCTURE

Year: 2003

	Subsidiary/Company Name	Line of Business	Earnings	Percent of Total
1	Energy West - Montana	Natural Gas Utility	257,354	-289.56%
2	Energy West - Wyoming	Natural Gas Utility	(25,682)	28.90%
3	Energy West - Arizona	Propane Vapor Utility	66,726	-75.08%
4	Energy West - W. Yellowstone	Natural Gas Utility	(69,944)	78.70%
5	Energy West - Cascade	Natural Gas Utility	17,773	-20.00%
6	Rocky Mountain Fuels	Bulk Propane Sales	(72,369)	81.43%
7	Energy West Propane - AZ	Bulk Propane Sales	154,901	-174.28%
8	Energy West Propane - MT	Bulk Propane Sales	(9,475)	10.66%
9	Energy West Resources	Gas Marketing	(284,166)	319.73%
10	Energy West Development	Real Estate Developmen	(123,996)	139.51%
11		and Pipe Line		
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50	TOTAL		(88,878)	100.00%

## CORPORATE ALLOCATIONS

Year: 2003

	Items Allocated	Classification	Allocation Method	\$ to MT Utility	MT %	\$ to Other
1	ENERGY WEST, OVERHEADS	921	DIRECT PAYROLL & 4 FACTOR	13,961	0.54%	2,564,211
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34	TOTAL			13,961	0.54%	2,564,211

# **AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY**      Year: 2003

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Utility	(e) % Total Affil. Revs.	(f) Charges to MT Utility
1	Missouri River Propane	Wholesale Propane	Delivered Cost & Storage	165,417		
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32	<b>TOTAL</b>			165,417		

**AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY** Year: 2003

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	NONE					
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32	TOTAL					

## MONTANA UTILITY INCOME STATEMENT

Year: 2003

	Account Number & Title	Last Year	This Year	% Change
1	400 Operating Revenues	351,236	282,561	-19.55%
2				
3	Operating Expenses			
4	401 Operation Expenses	255,726	204,474	-20.04%
5	402 Maintenance Expense			
6	403 Depreciation Expense	18,308	17,187	-6.12%
7	404-405 Amort. & Depl. of Gas Plant			
8	406 Amort. of Gas Plant Acquisition Adjustments			
9	407.1 Amort. of Property Losses, Unrecovered Plant			
10	& Regulatory Study Costs			
11	407.2 Amort. of Conversion Expense			
12	408.1 Taxes Other Than Income Taxes	6,910	12,201	76.57%
13	409.1 Income Taxes - Federal	5,130	(4,069)	-179.32%
14	- Other	2,615	(901)	-134.46%
15	410.1 Provision for Deferred Income Taxes	2,753	16,773	509.26%
16	411.1 (Less) Provision for Def. Inc. Taxes - Cr.			
17	411.4 Investment Tax Credit Adjustments			
18	411.6 (Less) Gains from Disposition of Utility Plant			
19	411.7 Losses from Disposition of Utility Plant			
20	<b>TOTAL Utility Operating Expenses</b>	291,442	245,665	-15.71%
21	<b>NET UTILITY OPERATING INCOME</b>	59,794	36,896	-38.29%

## MONTANA REVENUES

SCHEDULE 9

	Account Number & Title	Last Year	This Year	% Change
1	Sales of Gas			
2	480 Residential	234,642	188,421	-19.70%
3	481 Commercial & Industrial - Small	116,595	94,140	-19.26%
4	Commercial & Industrial - Large			
5	482 Other Sales to Public Authorities			
6	484 Interdepartmental Sales			
7	485 Intracompany Transfers			
8	<b>TOTAL Sales to Ultimate Consumers</b>	351,237	282,561	-19.55%
9	483 Sales for Resale			
10	<b>TOTAL Sales of Gas</b>	351,237	282,561	-19.55%
11	Other Operating Revenues			
12	487 Forfeited Discounts & Late Payment Revenues			
13	488 Miscellaneous Service Revenues			
14	489 Revenues from Transp. of Gas for Others			
15	490 Sales of Products Extracted from Natural Gas			
16	491 Revenues from Nat. Gas Processed by Others			
17	492 Incidental Gasoline & Oil Sales			
18	493 Rent From Gas Property			
19	494 Interdepartmental Rents			
20	495 Other Gas Revenues			
21	<b>TOTAL Other Operating Revenues</b>			
22	<b>Total Gas Operating Revenues</b>	351,237	282,561	-19.55%
23				
24	496 (Less) Provision for Rate Refunds			
25				
26	<b>TOTAL Oper. Revs. Net of Pro. for Refunds</b>	351,237	282,561	-19.55%
27				



**MONTANA OPERATION & MAINTENANCE EXPENSES**

Year: 2003

Account Number & Title		Last Year	This Year	% Change
1	<b>Production Expenses</b>			
2	Production & Gathering - Operation			
3	750 Operation Supervision & Engineering			
4	751 Production Maps & Records			
5	752 Gas Wells Expenses			
6	753 Field Lines Expenses			
7	754 Field Compressor Station Expenses			
8	755 Field Compressor Station Fuel & Power			
9	756 Field Measuring & Regulating Station Expense			
10	757 Purification Expenses			
11	758 Gas Well Royalties			
12	759 Other Expenses			
13	760 Rents			
14	<b>Total Operation - Natural Gas Production</b>			
15	Production & Gathering - Maintenance			
16	761 Maintenance Supervision & Engineering			
17	762 Maintenance of Structures & Improvements			
18	763 Maintenance of Producing Gas Wells			
19	764 Maintenance of Field Lines			
20	765 Maintenance of Field Compressor Sta. Equip.			
21	766 Maintenance of Field Meas. & Reg. Sta. Equip.			
22	767 Maintenance of Purification Equipment			
23	768 Maintenance of Drilling & Cleaning Equip.			
24	769 Maintenance of Other Equipment			
25	<b>Total Maintenance- Natural Gas Prod.</b>			
26	<b>TOTAL Natural Gas Production &amp; Gathering</b>			
27	Products Extraction - Operation			
28	770 Operation Supervision & Engineering			
29	771 Operation Labor			
30	772 Gas Shrinkage			
31	773 Fuel			
32	774 Power			
33	775 Materials			
34	776 Operation Supplies & Expenses			
35	777 Gas Processed by Others			
36	778 Royalties on Products Extracted			
37	779 Marketing Expenses			
38	780 Products Purchased for Resale			
39	781 Variation in Products Inventory			
40	782 (Less) Extracted Products Used by Utility - Cr.			
41	783 Rents			
42	<b>Total Operation - Products Extraction</b>			
43	Products Extraction - Maintenance			
44	784 Maintenance Supervision & Engineering			
45	785 Maintenance of Structures & Improvements			
46	786 Maintenance of Extraction & Refining Equip.			
47	787 Maintenance of Pipe Lines			
48	788 Maintenance of Extracted Prod. Storage Equip.			
49	789 Maintenance of Compressor Equipment			
50	790 Maintenance of Gas Meas. & Reg. Equip.			
51	791 Maintenance of Other Equipment			
52	<b>Total Maintenance - Products Extraction</b>			
53	<b>TOTAL Products Extraction</b>			

**MONTANA OPERATION & MAINTENANCE EXPENSES**

Year: 2003

Account Number & Title		Last Year	This Year	% Change
1	<b>Production Expenses - continued</b>			
2				
3	Exploration & Development - Operation			
4	795 Delay Rentals			
5	796 Nonproductive Well Drilling			
6	797 Abandoned Leases			
7	798 Other Exploration			
8	<b>TOTAL Exploration &amp; Development</b>			
9				
10	Other Gas Supply Expenses - Operation			
11	800 Natural Gas Wellhead Purchases			
12	800.1 Nat. Gas Wellhead Purch., Intracomp. Trans.			
13	801 Natural Gas Field Line Purchases	217,428	165,417	-23.92%
14	802 Natural Gas Gasoline Plant Outlet Purchases			
15	803 Natural Gas Transmission Line Purchases			
16	804 Natural Gas City Gate Purchases			
17	805 Other Gas Purchases			
18	805.1 Purchased Gas Cost Adjustments			
19	805.2 Incremental Gas Cost Adjustments			
20	806 Exchange Gas			
21	807.1 Well Expenses - Purchased Gas			
22	807.2 Operation of Purch. Gas Measuring Stations			
23	807.3 Maintenance of Purch. Gas Measuring Stations			
24	807.4 Purchased Gas Calculations Expenses			
25	807.5 Other Purchased Gas Expenses			
26	808.1 Gas Withdrawn from Storage -Dr.			
27	808.2 (Less) Gas Delivered to Storage -Cr.			
28	809.2 (Less) Deliveries of Nat. Gas for Processing-Cr.			
29	810 (Less) Gas Used for Compressor Sta. Fuel-Cr.			
30	811 (Less) Gas Used for Products Extraction-Cr.			
31	812 (Less) Gas Used for Other Utility Operations-Cr.			
32	813 Other Gas Supply Expenses			
33	<b>TOTAL Other Gas Supply Expenses</b>	217,428	165,417	-23.92%
34				
35	<b>TOTAL PRODUCTION EXPENSES</b>	217,428	165,417	-23.92%

**MONTANA OPERATION & MAINTENANCE EXPENSES**

Year: 2003

Account Number & Title		Last Year	This Year	% Change
1	<b>Storage, Terminaling &amp; Processing Expenses</b>			
2				
3	Underground Storage Expenses - Operation			
4	814 Operation Supervision & Engineering			
5	815 Maps & Records			
6	816 Wells Expenses			
7	817 Lines Expenses			
8	818 Compressor Station Expenses			
9	819 Compressor Station Fuel & Power			
10	820 Measuring & Reg. Station Expenses			
11	821 Purification Expenses			
12	822 Exploration & Development			
13	823 Gas Losses			
14	824 Other Expenses			
15	825 Storage Well Royalties			
16	826 Rents			
17	<b>Total Operation - Underground Strg. Exp.</b>			
18				
19	Underground Storage Expenses - Maintenance			
20	830 Maintenance Supervision & Engineering			
21	831 Maintenance of Structures & Improvements			
22	832 Maintenance of Reservoirs & Wells			
23	833 Maintenance of Lines			
24	834 Maintenance of Compressor Station Equip.			
25	835 Maintenance of Meas. & Reg. Sta. Equip.			
26	836 Maintenance of Purification Equipment			
27	837 Maintenance of Other Equipment			
28	<b>Total Maintenance - Underground Storage</b>			
29	<b>TOTAL Underground Storage Expenses</b>			
30				
31	Other Storage Expenses - Operation			
32	840 Operation Supervision & Engineering			
33	841 Operation Labor and Expenses			
34	842 Rents			
35	842.1 Fuel			
36	842.2 Power			
37	842.3 Gas Losses			
38	<b>Total Operation - Other Storage Expenses</b>			
39				
40	Other Storage Expenses - Maintenance			
41	843.1 Maintenance Supervision & Engineering			
42	843.2 Maintenance of Structures & Improvements			
43	843.3 Maintenance of Gas Holders			
44	843.4 Maintenance of Purification Equipment			
45	843.6 Maintenance of Vaporizing Equipment			
46	843.7 Maintenance of Compressor Equipment			
47	843.8 Maintenance of Measuring & Reg. Equipment			
48	843.9 Maintenance of Other Equipment			
49	<b>Total Maintenance - Other Storage Exp.</b>			
50	<b>TOTAL - Other Storage Expenses</b>			
51				
52	<b>TOTAL - STORAGE, TERMINALING &amp; PROC.</b>			

**MONTANA OPERATION & MAINTENANCE EXPENSES**

Year: 2003

Account Number & Title		Last Year	This Year	% Change
1	<b>Transmission Expenses</b>			
2	Operation			
3	850 Operation Supervision & Engineering			
4	851 System Control & Load Dispatching			
5	852 Communications System Expenses			
6	853 Compressor Station Labor & Expenses			
7	854 Gas for Compressor Station Fuel			
8	855 Other Fuel & Power for Compressor Stations			
9	856 Mains Expenses			
10	857 Measuring & Regulating Station Expenses			
11	858 Transmission & Compression of Gas by Others			
12	859 Other Expenses			
13	860 Rents			
14	<b>Total Operation - Transmission</b>			
15	Maintenance			
16	861 Maintenance Supervision & Engineering			
17	862 Maintenance of Structures & Improvements			
18	863 Maintenance of Mains			
19	864 Maintenance of Compressor Station Equip.			
20	865 Maintenance of Measuring & Reg. Sta. Equip.			
21	866 Maintenance of Communication Equipment			
22	867 Maintenance of Other Equipment			
23	<b>Total Maintenance - Transmission</b>			
24	<b>TOTAL Transmission Expenses</b>			
25	<b>Distribution Expenses</b>			
26	Operation			
27	870 Operation Supervision & Engineering			
28	871 Distribution Load Dispatching			
29	872 Compressor Station Labor and Expenses			
30	873 Compressor Station Fuel and Power			
31	874 Mains and Services Expenses			
32	875 Measuring & Reg. Station Exp.-General			
33	876 Measuring & Reg. Station Exp.-Industrial			
34	877 Meas. & Reg. Station Exp.-City Gate Ck. Sta.			
35	878 Meter & House Regulator Expenses			
36	879 Customer Installations Expenses			
37	880 Other Expenses			
38	881 Rents			
39	<b>Total Operation - Distribution</b>			
40	Maintenance			
41	885 Maintenance Supervision & Engineering			
42	886 Maintenance of Structures & Improvements			
43	887 Maintenance of Mains			
44	888 Maint. of Compressor Station Equipment			
45	889 Maint. of Meas. & Reg. Station Exp.-General			
46	890 Maint. of Meas. & Reg. Sta. Exp.-Industrial			
47	891 Maint. of Meas. & Reg. Sta. Equip.-City Gate			
48	892 Maintenance of Services			
49	893 Maintenance of Meters & House Regulators			
50	894 Maintenance of Other Equipment			
51	<b>Total Maintenance - Distribution</b>			
52	<b>TOTAL Distribution Expenses</b>			

**MONTANA OPERATION & MAINTENANCE EXPENSES**

Year: 2003

Account Number & Title		Last Year	This Year	% Change
1				
2	<b>Customer Accounts Expenses</b>			
3	Operation			
4	901 Supervision			
5	902 Meter Reading Expenses			
6	903 Customer Records & Collection Expenses			
7	904 Uncollectible Accounts Expenses	1,442	(229)	-115.88%
8	905 Miscellaneous Customer Accounts Expenses			
9				
10	<b>TOTAL Customer Accounts Expenses</b>	1,442	(229)	-115.88%
11				
12	<b>Customer Service &amp; Informational Expenses</b>			
13	Operation			
14	907 Supervision			
15	908 Customer Assistance Expenses			
16	909 Informational & Instructional Advertising Exp.			
17	910 Miscellaneous Customer Service & Info. Exp.			
18				
19	<b>TOTAL Customer Service &amp; Info. Expenses</b>			
20				
21	<b>Sales Expenses</b>			
22	Operation			
23	911 Supervision			
24	912 Demonstrating & Selling Expenses			
25	913 Advertising Expenses			
26	916 Miscellaneous Sales Expenses			
27				
28	<b>TOTAL Sales Expenses</b>			
29				
30	<b>Administrative &amp; General Expenses</b>			
31	Operation			
32	920 Administrative & General Salaries	12,501	14,914	19.30%
33	921 Office Supplies & Expenses	1,794	3,975	121.57%
34	922 (Less) Administrative Expenses Transferred - Cr.			
35	923 Outside Services Employed	2,886	1,906	-33.96%
36	924 Property Insurance	2,709	3,639	34.33%
37	925 Injuries & Damages			
38	926 Employee Pensions & Benefits			
39	927 Franchise Requirements			
40	928 Regulatory Commission Expenses			
41	929 (Less) Duplicate Charges - Cr.			
42	930.1 General Advertising Expenses			
43	930.2 Miscellaneous General Expenses	3,745	891	-76.21%
44	931 Rents			
45	Overhaeds	13,221	13,961	
46	<b>TOTAL Operation - Admin. &amp; General</b>	36,856	39,286	6.59%
47	Maintenance			
48	935 Maintenance of General Plant			
49				
50	<b>TOTAL Administrative &amp; General Expenses</b>	36,856	39,286	6.59%
51	<b>TOTAL OPERATION &amp; MAINTENANCE EXP.</b>	255,726	204,474	-20.04%

## MONTANA TAXES OTHER THAN INCOME

Year: 2003

	Description of Tax	Last Year	This Year	% Change
1	Payroll Taxes	-2,422		100.00%
2	Superfund			
3	Secretary of State			
4	Montana Consumer Counsel	3,337	221	-93.39%
5	Montana PSC	1,668	568	-65.95%
6	Franchise Taxes			
7	Property Taxes	4,327	11,413	163.75%
8	Tribal Taxes			
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51	<b>TOTAL MT Taxes other than Income</b>	<b>6,910</b>	<b>12,201</b>	<b>76.58%</b>

## PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES

Year: 2003

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	NONE				
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50	TOTAL Payments for Services				

**POLITICAL ACTION COMMITTEES / POLITICAL CONTRIBUTIONS** Year: 2003

	Description	Total Company	Montana	% Montana
1	NOT APPLICABLE			
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50	TOTAL Contributions			



## Pension Costs

Year: 2003

1	Plan Name _____			
2	Defined Benefit Plan? _____	Defined Contribution Plan? _____		
3	Actuarial Cost Method? _____	IRS Code: _____		
4	Annual Contribution by Employer: _____	Is the Plan Over Funded? _____		
5				
	Item	Current Year	Last Year	% Change
6	<b>Change in Benefit Obligation</b>			
7	Benefit obligation at beginning of year			
8	Service cost			
9	Interest Cost			
10	Plan participants' contributions			
11	Amendments			
12	Actuarial Gain			
13	Acquisition			
14	Benefits paid			
15	Benefit obligation at end of year			
16	<b>Change in Plan Assets</b>			
17	Fair value of plan assets at beginning of year			
18	Actual return on plan assets			
19	Acquisition			
20	Employer contribution			
21	Plan participants' contributions			
22	Benefits paid			
23	Fair value of plan assets at end of year			
24	<b>Funded Status</b>			
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost			
28				
29	<b>Weighted-average Assumptions as of Year End</b>			
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	<b>Components of Net Periodic Benefit Costs</b>			
35	Service cost			
36	Interest cost			
37	Expected return on plan assets			
38	Amortization of prior service cost			
39	Recognized net actuarial loss			
40	Net periodic benefit cost			
41				
42	<b>Montana Intrastate Costs:</b>			
43	Pension Costs			
44	Pension Costs Capitalized			
45	Accumulated Pension Asset (Liability) at Year End			
46	<b>Number of Company Employees:</b>			
47	Covered by the Plan			
48	Not Covered by the Plan			
49	Active			
50	Retired			
51	Deferred Vested Terminated			

2 #DIV/0!

## Other Post Employment Benefits (OPEBS)

Item	Current Year	Last Year	% Change
<b>1 Regulatory Treatment:</b>			
2 Commission authorized - most recent			
3 Docket number: _____			
4 Order number: _____			
5 Amount recovered through rates			
<b>6 Weighted-average Assumptions as of Year End</b>			
7 Discount rate	6.00%	7.50%	25.00%
8 Expected return on plan assets	8.50%	9.00%	5.88%
9 Medical Cost Inflation Rate	8.50%	9.50%	11.76%
10 Actuarial Cost Method			
11 Rate of compensation increase			
<b>12 List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:</b>			
13			
14			
<b>15 Describe any Changes to the Benefit Plan:</b>			
16			
<b>17 TOTAL COMPANY</b>			
<b>18 Change in Benefit Obligation</b>			
19 Benefit obligation at beginning of year	602800	743200	23.29%
20 Service cost	31100	26000	-16.40%
21 Interest Cost	44300	39200	-11.51%
22 Plan participants' contributions			
23 Amendments			
24 Actuarial Gain	123400	-182900	-248.22%
25 Acquisition			
26 Benefits paid	-19300	-22700	-17.62%
27 Benefit obligation at end of year	782300	602800	-22.95%
<b>28 Change in Plan Assets</b>			
29 Fair value of plan assets at beginning of year	470800	482395	2.46%
30 Actual return on plan assets	5300	11100	109.43%
31 Acquisition			
32 Employer contribution			
33 Plan participants' contributions			
34 Benefits paid	-19300	-22700	-17.62%
35 Fair value of plan assets at end of year	456800	470795	3.06%
<b>36 Funded Status</b>			
37 Unrecognized net actuarial loss	325500	132005	-59.45%
38 Unrecognized prior service cost	-115700	25300	121.87%
39 Prepaid (accrued) benefit cost	209800	157305	-25.02%
<b>40 Components of Net Periodic Benefit Costs</b>			
41 Service cost	31100	26000	-16.40%
42 Interest cost	44300	39200	-11.51%
43 Expected return on plan assets	-39000	-42400	-8.72%
44 Amortization of prior service cost	19600	19600	
45 Recognized net actuarial loss	-3500	-10400	-197.14%
46 Net periodic benefit cost	52500	32000	-39.05%
<b>47 Accumulated Post Retirement Benefit Obligation</b>			
48 Amount Funded through VEBA			
49 Amount Funded through 401(h)			
50 Amount Funded through Other _____			
51 TOTAL			
52 Amount that was tax deductible - VEBA			
53 Amount that was tax deductible - 401(h)			
54 Amount that was tax deductible - Other _____			
55 TOTAL			

## Other Post Employment Benefits (OPEBS) Continued

Year: 2003

	Item	Current Year	Last Year	% Change
1	<b>Number of Company Employees:</b>			
2	Covered by the Plan			
3	Not Covered by the Plan			
4	Active			
5	Retired			
6	Spouses/Dependants covered by the Plan			
7	<b>Montana</b>			
8	<b>Change in Benefit Obligation</b>			
9	Benefit obligation at beginning of year			
10	Service cost			
11	Interest Cost			
12	Plan participants' contributions			
13	Amendments			
14	Actuarial Gain			
15	Acquisition			
16	Benefits paid			
17	Benefit obligation at end of year			
18	<b>Change in Plan Assets</b>			
19	Fair value of plan assets at beginning of year			
20	Actual return on plan assets			
21	Acquisition			
22	Employer contribution			
23	Plan participants' contributions			
24	Benefits paid			
25	Fair value of plan assets at end of year			
26	<b>Funded Status</b>			
27	Unrecognized net actuarial loss			
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost			
30	<b>Components of Net Periodic Benefit Costs</b>			
31	Service cost			
32	Interest cost			
33	Expected return on plan assets			
34	Amortization of prior service cost			
35	Recognized net actuarial loss			
36	Net periodic benefit cost			
37	<b>Accumulated Post Retirement Benefit Obligation</b>			
38	Amount Funded through VEBA			
39	Amount Funded through 401(h)			
40	Amount Funded through other _____			
41	TOTAL			
42	Amount that was tax deductible - VEBA			
43	Amount that was tax deductible - 401(h)			
44	Amount that was tax deductible - Other			
45	TOTAL			
46	<b>Montana Intrastate Costs:</b>			
47	Pension Costs			
48	Pension Costs Capitalized			
49	Accumulated Pension Asset (Liability) at Year End			
50	<b>Number of Montana Employees:</b>			
51	Covered by the Plan			
52	Not Covered by the Plan			
53	Active			
54	Retired			
55	Spouses/Dependants covered by the Plan			

## TOP TEN MONTANA COMPENSATED EMPLOYEES (ASSIGNED OR ALLOCATED)

Line No.	Name/Title	Base Salary	Bonuses	Other	Total Compensation	Total Compensation Last Year	% Increase Total Compensation
1	Edward Bernica President & CEO ENERGY WEST, INC	131,212	5,847		137,059	208,058	-34%
2	Tim A. Good Vice President Utility Division	105,569	5,030		110,599	174,489	-37%
3	John Allen General Counsel VP of Human Resources & Regulatory Affairs	100,970	4,542		105,512	165,944	-36%
4	Earl Terwilliger Division Manager Energy West MT	66,989	9,986	10,577	87,552	93,070	-6%
5	Jed Henthorne IT Manager	70,846	9,930		80,776	104,179	-22%
6	Robert Mease Vice President Controller	71,479	5,207	500	77,186	26,035	196%
7	Evan Mathews Manager West Yellowstone	61,186	2,345	11,370	74,901	72,346	4%
8	JoAnn Hogan Vice President Treasurer	67,480	3,134		70,614	92,563	-24%
9	Sheila Rice Vice President Administration	62,679	4,301		66,980	150,124	-55%
10	Kurt Baltrusch Director of Operations	60,724			60,724	-	N/A

## COMPENSATION OF TOP 5 CORPORATE EMPLOYEES - SEC INFORMATION

Line No.	Name/Title	Base Salary	Bonuses	Other	Total Compensation	Total Compensation Last Year	% Increase Total Compensation
1	Edward Bernica President & CEO ENERGY WEST, INC	131,212	5,847		137,059	208,058	-34%
2	Tim A. Good Vice President Utility Division	105,569	5,030		110,599	174,489	-37%
3	John Allen General Counsel VP of Human Resources & Regulatory Affairs	100,970	4,542		105,512	165,944	-36%
4	Lynn Hardin Manager of Gas Supply -- Energy West Resources	82,105	12,913		95,018	148,517	-36%
5	Jim Morin President Energy West Resource	79,508	12,190		91,698	148,891	-38%

## BALANCE SHEET

Year: 2003

	Account Number & Title	Last Year	This Year	% Change
1	<b>Assets and Other Debits</b>			
2	Utility Plant			
3	101 Gas Plant in Service	58,257,618	59,696,804	-2%
4	101.1 Property Under Capital Leases			
5	102 Gas Plant Purchased or Sold			
6	104 Gas Plant Leased to Others			
7	105 Gas Plant Held for Future Use			
8	105.1 Production Properties Held for Future Use			
9	106 Completed Constr. Not Classified - Gas			
10	107 Construction Work in Progress - Gas			
11	108 (Less) Accumulated Depreciation	(24,957,595)	(26,615,488)	6%
12	111 (Less) Accumulated Amortization & Depletion			
13	114 Gas Plant Acquisition Adjustments			
14	115 (Less) Accum. Amort. Gas Plant Acq. Adj.			
15	116 Other Gas Plant Adjustments			
16	117 Gas Stored Underground - Noncurrent			
17	118 Other Utility Plant			
18	119 Accum. Depr. and Amort. - Other Util. Plant			
19	<b>TOTAL Utility Plant</b>	33,300,023	33,081,316	1%
20	<b>Other Property &amp; Investments</b>			
21	121 Nonutility Property	4,514,446	8,281,809	-45%
22	122 (Less) Accum. Depr. & Amort. of Nonutil. Prop.	(1,295,562)	(1,786,529)	27%
23	123 Investments in Associated Companies			
24	123.1 Investments in Subsidiary Companies			
25	124 Other Investments			
26	125 Sinking Funds			
27	<b>TOTAL Other Property &amp; Investments</b>	3,218,884	6,495,280	-50%
28	<b>Current &amp; Accrued Assets</b>			
29	131 Cash	367,657	1,938,768	-81%
30	132-134 Special Deposits			
31	135 Working Funds			
32	136 Temporary Cash Investments			
33	141 Notes Receivable			
34	142 Customer Accounts Receivable	8,398,491	8,184,645	3%
35	143 Other Accounts Receivable			
36	144 (Less) Accum. Provision for Uncollectible Accts.	(154,252)	(213,013)	28%
37	145 Notes Receivable - Associated Companies			
38	146 Accounts Receivable - Associated Companies			
39	151 Fuel Stock			
40	152 Fuel Stock Expenses Undistributed			
41	153 Residuals and Extracted Products			
42	154 Plant Materials and Operating Supplies	593,674	371,490	
43	155 Merchandise			
44	156 Other Material & Supplies			
45	163 Stores Expense Undistributed			
46	164.1 Gas Stored Underground - Current	5,640,660	1,038,690	443%
47	165 Prepayments	445,652	352,982	26%
48	166 Advances for Gas Explor., Devl. & Production			
49	171 Interest & Dividends Receivable			
50	172 Rents Receivable			
51	173 Accrued Utility Revenues			
52	174 Miscellaneous Current & Accrued Assets	3,798,864	4,936,601	-23%
53	<b>TOTAL Current &amp; Accrued Assets</b>	19,090,746	16,610,163	15%

## BALANCE SHEET

Year: 2003

	Account Number & Title	Last Year	This Year	% Change
1	<b>Assets and Other Debits (cont.)</b>			
2				
3	<b>Deferred Debits</b>			
4				
5	181 Unamortized Debt Expense	859,440	778,558	10%
6	182.1 Extraordinary Property Losses			
7	182.2 Unrecovered Plant & Regulatory Study Costs	617,069	541,196	14%
8	183.1 Prelim. Nat. Gas Survey & Investigation Chrg.			
9	183.2 Other Prelim. Nat. Gas Survey & Invtg. Chrgs.			
10	184 Clearing Accounts			
11	185 Temporary Facilities			
12	186 Miscellaneous Deferred Debits	782,884	3,340,048	-100%
13	187 Deferred Losses from Disposition of Util. Plant			
14	188 Research, Devel. & Demonstration Expend.			
15	189 Unamortized Loss on Reacquired Debt			
16	190 Accumulated Deferred Income Taxes			
17	191 Unrecovered Purchased Gas Costs	(2,024,159)	1,067,109	-290%
18	192.1 Unrecovered Incremental Gas Costs			
19	192.2 Unrecovered Incremental Surcharges			
20	<b>TOTAL Deferred Debits</b>	235,234	5,726,911	-96%
21				
22	<b>TOTAL ASSETS &amp; OTHER DEBITS</b>	55,844,888	61,913,670	-10%
	Account Number & Title	Last Year	This Year	% Change
23	<b>Liabilities and Other Credits</b>			
24				
25	<b>Proprietary Capital</b>			
26				
27	201 Common Stock Issued	385,964	389,295	-1%
28	202 Common Stock Subscribed			
29	204 Preferred Stock Issued			
30	205 Preferred Stock Subscribed			
31	207 Premium on Capital Stock			
32	211 Miscellaneous Paid-In Capital	4,863,113	5,056,425	-4%
33	213 (Less) Discount on Capital Stock			
34	214 (Less) Capital Stock Expense			
35	215 Appropriated Retained Earnings			
36	216 Unappropriated Retained Earnings	11,023,266	9,852,741	12%
37	217 (Less) Reacquired Capital Stock			
38	<b>TOTAL Proprietary Capital</b>	16,272,343	15,298,461	6%
39				
40	<b>Long Term Debt</b>			
41				
42	221 Bonds			
43	222 (Less) Reacquired Bonds			
44	223 Advances from Associated Companies			
45	224 Other Long Term Debt	15,367,424	15,390,117	0%
46	225 Unamortized Premium on Long Term Debt			
47	226 (Less) Unamort. Discount on L-Term Debt-Dr.			
48	<b>TOTAL Long Term Debt</b>	15,367,424	15,390,117	0%

**BALANCE SHEET**

Year: 2003

	Account Number & Title	Last Year	This Year	% Change
1				
2	<b>Total Liabilities and Other Credits (cont.)</b>			
3				
4	<b>Other Noncurrent Liabilities</b>			
5				
6	227 Obligations Under Cap. Leases - Noncurrent			
7	228.1 Accumulated Provision for Property Insurance			
8	228.2 Accumulated Provision for Injuries & Damages			
9	228.3 Accumulated Provision for Pensions & Benefits			
10	228.4 Accumulated Misc. Operating Provisions			
11	229 Accumulated Provision for Rate Refunds			
12	<b>TOTAL Other Noncurrent Liabilities</b>			
13				
14	<b>Current &amp; Accrued Liabilities</b>			
15				
16	231 Notes Payable	3,500,000	6,104,588	-43%
17	232 Accounts Payable	9,413,693	8,841,781	6%
18	233 Notes Payable to Associated Companies			
19	234 Accounts Payable to Associated Companies			
20	235 Customer Deposits			
21	236 Taxes Accrued	1,005,975		#DIV/0!
22	237 Interest Accrued	112,513	106,860	5%
23	238 Dividends Declared			
24	239 Matured Long Term Debt	502,072	532,371	
25	240 Matured Interest			
26	241 Tax Collections Payable			
27	242 Miscellaneous Current & Accrued Liabilities	3,340,791	5,740,095	-42%
28	243 Obligations Under Capital Leases - Current			
29	<b>TOTAL Current &amp; Accrued Liabilities</b>	17,875,044	21,325,695	-16%
30				
31	<b>Deferred Credits</b>			
32				
33	252 Customer Advances for Construction	1,575,585	1,604,814	-2%
34	253 Other Deferred Credits	334,986	2,973,721	-89%
35	255 Accumulated Deferred Investment Tax Credits	376,468	355,406	6%
36	256 Deferred Gains from Disposition Of Util. Plant			
37	257 Unamortized Gain on Reacquired Debt			
38	281-283 Accumulated Deferred Income Taxes	4,043,038	4,965,456	-19%
39	<b>TOTAL Deferred Credits</b>	6,330,077	9,899,397	-36%
40				
41	<b>TOTAL LIABILITIES &amp; OTHER CREDITS</b>	55,844,888	61,913,670	-10%

NOTE: The balance sheet represents Energy West Inc.



## MONTANA PLANT IN SERVICE (ASSIGNED &amp; ALLOCATED)

Year: 2003

	Account Number & Title	Last Year	This Year	% Change
1	<b>Intangible Plant</b>			
2				
3	301 Organization			
4	302 Franchises & Consents			
5	303 Miscellaneous Intangible Plant			
6				
7	<b>TOTAL Intangible Plant</b>			
8				
9	<b>Production Plant</b>			
10				
11	Production & Gathering Plant			
12				
13	325.1 Producing Lands			
14	325.2 Producing Leaseholds			
15	325.3 Gas Rights			
16	325.4 Rights-of-Way			
17	325.5 Other Land & Land Rights			
18	326 Gas Well Structures			
19	327 Field Compressor Station Structures			
20	328 Field Meas. & Reg. Station Structures			
21	329 Other Structures			
22	330 Producing Gas Wells-Well Construction			
23	331 Producing Gas Wells-Well Equipment			
24	332 Field Lines			
25	333 Field Compressor Station Equipment			
26	334 Field Meas. & Reg. Station Equipment			
27	335 Drilling & Cleaning Equipment			
28	336 Purification Equipment			
29	337 Other Equipment			
30	338 Unsuccessful Exploration & Dev. Costs			
31				
32	<b>Total Production &amp; Gathering Plant</b>			
33				
34	Products Extraction Plant			
35				
36	340 Land & Land Rights			
37	341 Structures & Improvements			
38	342 Extraction & Refining Equipment			
39	343 Pipe Lines			
40	344 Extracted Products Storage Equipment			
41	345 Compressor Equipment			
42	346 Gas Measuring & Regulating Equipment			
43	347 Other Equipment			
44				
45	<b>Total Products Extraction Plant</b>			
46				
47	<b>TOTAL Production Plant</b>			

**MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)**

Year: 2003

	Account Number & Title	Last Year	This Year	% Change
1				
2	<b>Natural Gas Storage and Processing Plant</b>			
3				
4	Underground Storage Plant			
5				
6	350.1 Land			
7	350.2 Rights-of-Way			
8	351 Structures & Improvements			
9	352 Wells			
10	352.1 Storage Leaseholds & Rights			
11	352.2 Reservoirs			
12	352.3 Non-Recoverable Natural Gas			
13	353 Lines			
14	354 Compressor Station Equipment			
15	355 Measuring & Regulating Equipment			
16	356 Purification Equipment			
17	357 Other Equipment			
18				
19	<b>Total Underground Storage Plant</b>			
20				
21	Other Storage Plant			
22				
23	360 Land & Land Rights			
24	361 Structures & Improvements			
25	362 Gas Holders			
26	363 Purification Equipment			
27	363.1 Liquification Equipment			
28	363.2 Vaporizing Equipment			
29	363.3 Compressor Equipment			
30	363.4 Measuring & Regulating Equipment			
31	363.5 Other Equipment			
32				
33	<b>Total Other Storage Plant</b>			
34				
35	<b>TOTAL Natural Gas Storage and Processing Plant</b>			
36				
37	<b>Transmission Plant</b>			
38				
39	365.1 Land & Land Rights			
40	365.2 Rights-of-Way			
41	366 Structures & Improvements			
42	367 Mains			
43	368 Compressor Station Equipment			
44	369 Measuring & Reg. Station Equipment			
45	370 Communication Equipment			
46	371 Other Equipment			
47				
48	<b>TOTAL Transmission Plant</b>			

**MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)**

Year: 2003

	Account Number & Title		Last Year	This Year	% Change
1					
2	<b>Distribution Plant</b>				
3					
4	374	Land & Land Rights	3,636	3,636	
5	375	Structures & Improvements			
6	376	Mains	269,482	269,482	
7	377	Compressor Station Equipment			
8	378	Meas. & Reg. Station Equipment-General			
9	379	Meas. & Reg. Station Equipment-City Gate			
10	380	Services	217,791	221,870	-2%
11	381	Meters			
12	382	Meter Installations	26,116	26,116	
13	383	House Regulators	10,598	10,598	
14	384	House Regulator Installations			
15	385	Industrial Meas. & Reg. Station Equipment			
16	386	Other Prop. on Customers' Premises			
17	387	Other Equipment			
18					
19	<b>TOTAL Distribution Plant</b>		527,623	531,703	-1%
20					
21	<b>General Plant</b>				
22					
23	389	Land & Land Rights			
24	390	Structures & Improvements			
25	391	Office Furniture & Equipment			
26	392	Transportation Equipment			
27	393	Stores Equipment			
28	394	Tools, Shop & Garage Equipment	34,343	34,343	
29	395	Laboratory Equipment			
30	396	Power Operated Equipment	6,300	6,300	
31	397	Communication Equipment			
32	398	Miscellaneous Equipment			
33	399	Other Tangible Property			
34					
35	<b>TOTAL General Plant</b>		40,643	40,643	
36					
37	<b>TOTAL Gas Plant in Service</b>		568,266	572,346	-1%

## MONTANA DEPRECIATION SUMMARY

Year: 2003

	Functional Plant Classification	Plant Cost	Accumulated Depreciation		Current Avg. Rate
			Last Year Bal.	This Year Bal.	
1	Production & Gathering				
2	Products Extraction				
3	Underground Storage				
4	Other Storage				
5	Transmission				
6	Distribution	572,346	121,371	138,558	
7	General				
8	<b>TOTAL</b>	572,346	121,371	138,558	

## MONTANA MATERIALS &amp; SUPPLIES (ASSIGNED &amp; ALLOCATED)

SCHEDULE 21

	Account	Last Year Bal.	This Year Bal.	%Change
1				
2	151 Fuel Stock			
3	152 Fuel Stock Expenses - Undistributed			
4	153 Residuals & Extracted Products			
5	154 Plant Materials & Operating Supplies:			
6	Assigned to Construction (Estimated)			
7	Assigned to Operations & Maintenance			
8	Production Plant (Estimated)			
9	Transmission Plant (Estimated)			
10	Distribution Plant (Estimated)			
11	Assigned to Other			
12	155 Merchandise			
13	156 Other Materials & Supplies			
14	163 Stores Expense Undistributed			
15				
16	<b>TOTAL Materials &amp; Supplies</b>			

## MONTANA REGULATORY CAPITAL STRUCTURE &amp; COSTS

SCHEDULE 22

	Commission Accepted - Most Recent	% Cap. Str.	% Cost Rate	Weighted Cost
1	Docket Number 96.7.123			
2	Order Number 5933b			
3				
4	Common Equity	52.52%	11.50%	6.04%
5	Preferred Stock			
6	Long Term Debt	47.48%	8.69%	4.13%
7	Other			
8	<b>TOTAL</b>	100.00%		10.17%
9				
10	Actual at Year End			
11				
12	Common Equity 15,298,461.00	49.85%	11.25%	5.61%
13	Preferred Stock			
14	Long Term Debt 15,390,117.00	50.15%	7.75%	3.89%
15	Other			
16	<b>TOTAL</b> 30,688,578.00	100.00%		9.49%

## STATEMENT OF CASH FLOWS

Year: 2003

	Description	Last Year	This Year	% Change
1				
2	Increase/(decrease) in Cash & Cash Equivalents:			
3				
4	<b>Cash Flows from Operating Activities:</b>			
5	Net Income	1,400,790	(88,879)	1676%
6	Depreciation	2,326,909	2,594,141	-10%
7	Amortization			
8	Deferred Income Taxes - Net	(1,354,927)	1,519,494	-189%
9	Investment Tax Credit Adjustments - Net	(21,062)	(21,062)	
10	Change in Operating Receivables - Net	2,087,164	272,607	666%
11	Change in Materials, Supplies & Inventories - Net	(4,217,324)	5,530,750	-176%
12	Change in Operating Payables & Accrued Liabilities - Net	108,573	1,288,920	-92%
13	Allowance for Funds Used During Construction (AFUDC)			
14	Change in Other Assets & Liabilities - Net	6,783,906	(6,549,802)	204%
15	Other Operating Activities (explained on attached page)			
16	<b>Net Cash Provided by/(Used in) Operating Activities</b>	<b>7,114,029</b>	<b>4,546,169</b>	<b>56%</b>
17				
18	<b>Cash Inflows/Outflows From Investment Activities:</b>			
19	Construction/Acquisition of Property, Plant and Equipment	(5,485,108)	(4,040,286)	-36%
20	(net of AFUDC & Capital Lease Related Acquisitions)			
21	Acquisition of Other Noncurrent Assets			
22	Proceeds from Disposal of Noncurrent Assets	(956,888)	(90,113)	-962%
23	Investments In and Advances to Affiliates			
24	Contributions and Advances from Affiliates			
25	Disposition of Investments in and Advances to Affiliates			
26	Other Investing Activities (explained on attached page)	1,292,106	56,487	2187%
27	<b>Net Cash Provided by/(Used in) Investing Activities</b>	<b>(5,149,890)</b>	<b>(4,073,912)</b>	<b>-26%</b>
28				
29	<b>Cash Flows from Financing Activities:</b>			
30	Proceeds from Issuance of:			
31	Long-Term Debt			
32	Preferred Stock			
33	Common Stock			
34	Other:			
35	Net Increase in Short-Term Debt			
36	Other:			
37	Payment for Retirement of:			
38	Long-Term Debt	(490,000)	(502,673)	3%
39	Preferred Stock			
40	Common Stock	204,574	78,587	160%
41	Other:			
42	Net Decrease in Short-Term Debt	(285,989)	2,604,588	-111%
43	Dividends on Preferred Stock			
44	Dividends on Common Stock	(1,245,734)	(1,081,648)	-15%
45	Other Financing Activities (explained on attached page)			
46	<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(1,817,149)</b>	<b>1,098,854</b>	<b>-265%</b>
47				
48	<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>146,990</b>	<b>1,571,111</b>	<b>-91%</b>
49	<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>220,667</b>	<b>367,657</b>	<b>-40%</b>
50	<b>Cash and Cash Equivalents at End of Year</b>	<b>367,657</b>	<b>1,938,768</b>	<b>-81%</b>

NOTE: Cash flow statement represents Energy West, Inc.

## LONG TERM DEBT

Year: 2003

	Description	Issue Date Mo./Yr.	Maturity Date Mo./Yr.	Principal Amount	Net Proceeds	Outstanding Per Balance Sheet	Yield to Maturity	Annual Net Cost Inc. Prem/Disc.	Total Cost %
1	Industrial Development	Sep 1992	Oct 2012	1,800,000	1,800,000	1,065,000	3.35% to 6.50%	77,923	7.32%
2	Revenue Bonds								
3	Series 1992B								
4									
5	Great Falls Gas Company	June 1993	June 2008	7,800,000	7,800,000	5,835,000	6.20% to 7.60%	539,242	9.24%
6	Series 1993 Notes								
7									
8	Great Falls Gas Company	Aug 1997	June 2012	8,000,000	8,000,000	7,925,444	7.50%	630,722	7.96%
9	Series 1997 Notes								
10									
11	Capitalized lease					9,008			
12									
13	Asset Retirement Obligation					555,665			
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28									
29									
30									
31									
32	<b>TOTAL</b>			17,600,000	17,600,000	15,390,117		1,247,886	8.11%

## PREFERRED STOCK

Year: 2003

	Series	Issue Date Mo./Yr.	Shares Issued	Par Value	Call Price	Net Proceeds	Cost of Money	Principal Outstanding	Annual Cost	Embed. Cost %
1	NOT APPLICABLE									
2										
3										
4										
5										
6										
7										
8										
9										
10										
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29										
30										
31										
32	TOTAL									

## COMMON STOCK

Year: 2003

		Avg. Number of Shares Outstanding	Book Value Per Share	Earnings Per Share	Dividends Per Share	Retention Ratio	Market Price High	Market Price Low	Price/ Earnings Ratio
1									
2									
3									
4	July	2549245	6.24				9.750	8.700	
5									
6	August	2549245	6.05				9.500	8.750	
7									
8	September	2573128	5.79	(0.40)	0.135		9.140	8.450	(22.0)
9									
10	October	2573742	5.70				8.890	8.370	
11									
12	November	2574100	5.49				8.520	7.760	
13									
14	December	2579948	5.73	(0.35)	0.270		8.351	7.381	(22.5)
15									
16	January	2581494	6.00				8.740	8.000	
17									
18	February	2582551	6.19				9.000	8.460	
19									
20	March	2583935	6.28	0.34	0.405		8.790	7.400	23.8
21									
22	April	2584853	6.17				7.690	6.141	
23									
24	May	2585648	6.01				8.450	5.100	
25									
26	June	2586487	5.90	(0.03)	0.405		8.550	6.010	(242.7)
27									
28									
29									
30									
31									
32	TOTAL Year End			-0.44	1.215	376.14%			



## MONTANA EARNED RATE OF RETURN

Year: 2003

	Description	Last Year	This Year	% Change
1	Rate Base			
2	101 Plant in Service	568,266	570,306	0.36%
3	108 (Less) Accumulated Depreciation	(121,371)	(129,964)	-7.08%
4	<b>NET Plant in Service</b>	<b>446,896</b>	<b>440,342</b>	<b>-1.47%</b>
5				
6	Additions			
7	154, 156 Materials & Supplies			
8	165 Prepayments			
9	Other Additions		6,766	
10	<b>TOTAL Additions</b>		<b>6,766</b>	
11				
12	Deductions			
13	190 Accumulated Deferred Income Taxes	52,076	58,300	11.95%
14	252 Customer Advances for Construction			
15	255 Accumulated Def. Investment Tax Credits			
16	Other Deductions			
17	<b>TOTAL Deductions</b>	<b>52,076</b>	<b>58,300</b>	<b>11.95%</b>
18	<b>TOTAL Rate Base</b>	<b>394,820</b>	<b>388,808</b>	<b>-1.52%</b>
19				
20	<b>Net Earnings</b>	<b>53,733</b>	<b>36,896</b>	<b>-31.33%</b>
21				
22	<b>Rate of Return on Average Rate Base</b>	<b>9.593%</b>	<b>9.490%</b>	<b>-1.08%</b>
23				
24	<b>Rate of Return on Average Equity</b>	<b>0.330%</b>	<b>0.241%</b>	<b>-26.96%</b>
25				
26	Major Normalizing Adjustments & Commission			
27	Ratemaking adjustments to Utility Operations			
28				
29				
30				
31				
32				
33				
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39				
40				
41				
42				
43				
44				
45				
46				
47	<b>Adjusted Rate of Return on Average Rate Base</b>			
48				
49	<b>Adjusted Rate of Return on Average Equity</b>			

## MONTANA COMPOSITE STATISTICS

Year: 2003

	Description	Amount
1		
2	Plant (Intrastate Only) (000 Omitted)	
3		
4	101 Plant in Service	572
5	107 Construction Work in Progress	
6	114 Plant Acquisition Adjustments	
7	105 Plant Held for Future Use	
8	154, 156 Materials & Supplies	
9	(Less):	
10	108, 111 Depreciation & Amortization Reserves	(139)
11	252 Contributions in Aid of Construction	
12		
13	<b>NET BOOK COSTS</b>	<b>433</b>
14		
15	Revenues & Expenses (000 Omitted)	
16		
17	400 Operating Revenues	282
18		
19	403 - 407 Depreciation & Amortization Expenses	17
20	Federal & State Income Taxes	12
21	Other Taxes	12
22	Other Operating Expenses	204
23	TOTAL Operating Expenses	245
24		
25	Net Operating Income	37
26		
27	415 - 421.1 Other Income	
28	421.2 - 426.5 Other Deductions	19
29		
30	<b>NET INCOME</b>	<b>18</b>
31		
32	Customers (Intrastate Only)	
33		
34	Year End Average:	
35	Residential	256
36	Commercial	41
37	Industrial	
38	Other	
39		
40	<b>TOTAL NUMBER OF CUSTOMERS</b>	<b>297</b>
41		
42	Other Statistics (Intrastate Only)	
43		
44	Average Annual Residential Use (Mcf or Dkt)	33.4
45	Average Annual Residential Cost per (Mcf or Dkt) (\$) *	19.9
46	* Avg annual cost = [(cost per Mcf or Dkt x annual use) + (mo. svc chrg x 12)]/annual use	
47	Average Residential Monthly Bill	79.28
48	Gross Plant per Customer	1,927

## MONTANA CUSTOMER INFORMATION

Year: 2003

	City/Town	Population (Include Rural)	Residential Customers	Commercial Customers	Industrial & Other Customers	Total Customers
1	Cascade	741	256	41		297
2						
3						
4						
5						
6						
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31						
32	TOTAL Montana Customers	741	256	41		297

## MONTANA EMPLOYEE COUNTS

Year: 2003

	Department	Year Beginning	Year End	Average
1	TRANSMISSION & DISTRIBUTION	1		1
2				
3				
4				
5				
6				
7				
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49				
50	TOTAL Montana Employees	1		1

## MONTANA CONSTRUCTION BUDGET (ASSIGNED &amp; ALLOCATED)

Year: 2004

	Project Description	Total Company	Total Montana
1	ENERGY WEST - WEST YELLOWSTONE	19,680	
2	ENERGY WEST - CASCADE		
3	ENERGY WEST - MONTANA	1,263,967	
4	OTHER		
5			
6			
7			
8			
9			
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49			
50	TOTAL	1,283,647	

## TRANSMISSION SYSTEM - TOTAL COMPANY &amp; MONTANA

Year: 2003

Total Company				
		Peak Day of Month	Peak Day Volumes Mcf or Dkt	Total Monthly Volumes Mcf or Dkt
1	January			
2	February			
3	March			
4	April			
5	May			
6	June			
7	July			
8	August			
9	September			
10	October			
11	November			
12	December			
13	<b>TOTAL</b>			

Montana				
		Peak Day of Month	Peak Day Volumes Mcf or Dkt	Total Monthly Volumes Mcf or Dkt
14	January			
15	February			
16	March			
17	April			
18	May			
19	June			
20	July			
21	August			
22	September			
23	October			
24	November			
25	December			
26	<b>TOTAL</b>			

## DISTRIBUTION SYSTEM - TOTAL COMPANY &amp; MONTANA

Year: 2003

Total Company				
		Peak Day of Month	Peak Day Volumes Mcf or Dkt	Total Monthly Volumes Mcf or Dkt
1	January	not applicable		
2	February			
3	March			
4	April			
5	May			
6	June			
7	July			
8	August			
9	September			
10	October			
11	November			
12	December			
13	<b>TOTAL</b>			

Montana				
		Peak Day of Month	Peak Day Volumes Mcf or Dkt	Total Monthly Volumes Mcf or Dkt
14	July	not applicable		
15	August			
16	September			
17	October			
18	November			
19	December			
20	January			
21	February			
22	March			
23	April			
24	May			
25	June			
26	<b>TOTAL</b>			

## Year: 2003

		Total Company					
		Peak Day of Month		Peak Day Volumes (Mcf or Dkt)		Total Monthly Volumes (Mcf or Dkt)	
		Injection	Withdrawal	Injection	Withdrawal	Injection	Withdrawal
1	January						
2	February						
3	March						
4	April						
5	May						
6	June						
7	July						
8	August						
9	September						
10	October						
11	November						
12	December						
13	<b>TOTAL</b>						

Montana						
Peak Day of Month		Peak Day Volumes (Mcf or Dkt)		Total Monthly Volumes (Mcf or Dkt)		
Injection	Withdrawal	Injection	Withdrawal	Injection	Withdrawal	Losses
14	January					
15	February					
16	March					
17	April					
18	May					
19	June					
20	July					
21	August					
22	September					
23	October					
24	November					
25	December					
26	<b>TOTAL</b>					



## SOURCES OF GAS SUPPLY

Year: 2003

	Name of Supplier	Last Year Volumes Mcf or Dkt	This Year Volumes Mcf or Dkt	Last Year Avg. Commodity Cost	This Year Avg. Commodity Cost
1	Missouri River Propane	10,533	9,770	\$20.6417	\$16.9311
2					
3					
4					
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31					
32					
33	Total Gas Supply Volumes	10,533	9,770	\$20.6417	\$16.9311

MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS

Year: 2003

	Program Description	Current Year Expenditures	Last Year Expenditures	% Change	Planned Savings (Mcf or Dkt)	Achieved Savings (Mcf or Dkt)	Difference
1	See Energy West MT Report						
2							
3							
4							
5							
6							
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25							
26							
27							
28							
29							
30							
31							
32	TOTAL						

## MONTANA CONSUMPTION AND REVENUES

Year: 2003

	Sales of Gas	Operating Revenues		MCF Sold		Avg. No. of Customers	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Residential	\$188,421	\$234,642	6,382	6,736	265	263
2	Commercial - Small	34,443	44,958	1,197	1,326	31	30
3	Commercial - Large						
4	Industrial - Small	59,697	71,637	2,192	2,472	10	10
5	Industrial - Large						
6	Interruptible Industrial						
7	Other Sales to Public Authorities						
8	Sales to Other Utilities						
9	Interdepartmental						
10							
11	<b>TOTAL</b>	\$282,561	\$351,237	9,771	10,533	306	303
12							
13							
14							
15							
16							
17							
18	<b>Transportation of Gas</b>						
19							
20	Utilities						
21	Industrial						
22	Other						
23							
24	<b>TOTAL</b>						